

Fulham Football Club (1987) Limited

Annual Report 30 June 2011



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Fulham Football Club (1987) Limited

Offices and Advisors

For the year ended 30 June 2011

Registered Office:

Fulham Football Club Training Ground
Motspur Park
New Malden
Surrey
KT3 6PT

Auditors:

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

Bankers:

National Westminster Bank Plc
City of London Office
1 Princes Street
London
EC2R 8PA

Solicitors:

Squire Sanders
7 Devonshire Square
Cutlers Gardens
London
EC2M 4YH



Fulham Football Club (1987) Limited

Chairman's Statement

For the year ended 30 June 2011

Following on from the dramatic Europa League final and productive campaign on the domestic front, the 2010/11 season was always going to be an exciting and challenging one. Naturally there are inherent challenges when following up on such a successful year and combined with having a new manager on board, we achieved a very credible 8th place, further cementing the Club's position as an established Premier League side.

On a like-for-like basis, (excluding the Europa League income), revenue grew by 18.8 % year on year, reflecting not only our strong league performance and the associated central awards, but also a very good performance in commercial activity and match-day revenue.

Pleasingly, our occupancy level at the ground was 98%, and given some late fixture changes with challenging dates, this was even more notable.

We are continuing to enhance the stadium and look at options to develop the ground and increase capacity as we recognise that one of the key areas to drive the Club forward is to capitalise on the growth in our fan base, and in the matchday revenues that are generated.

On the playing side, we have strengthened the squad in the latest transfer window with 8 new players. A combined total expenditure of £15,600,000 underlines my commitment to ensure our recent success on the pitch is continued and that we endeavour to progress in both our league position and in cup competitions.

In conjunction with this, the significance of our investment in the Academy grows in importance all the time and we have devoted significant resources to ensure we are at the forefront of this area. It is of course pleasing to see a return on this investment as a talented pool of youngsters are coming through, with our Academy team winning the U18 group A league, and finishing as runners up in the national play-off.

The Club consistently adopts a pioneering attitude throughout all areas, and using platforms such as digital media and social networking to engage with our fans, we continue to develop these relationships in a positive way. In addition, combining our open and inclusive philosophy with other activities such as the UEFA Women's Champions League final which the Club hosted in May, we are able to introduce the Fulham brand to new audiences.

The Club has made great strides in recent years, and this excellent set of financial results is just reward for our progress. As always, I am determined to ensure the Club moves in the right direction whilst remaining true to our history, heritage and traditions.

Mohamed Al Fayed



Fulham Football Club (1987) Limited

Directors' Report

For the year ended 30 June 2011

Financial statements

The Directors present their report and financial statements for the year ended 30 June 2011

Review of the business

During the year to 30 June 2011, the Company saw the following changes in the key indicators of financial and non-financial performance

<u>Indicator</u>	<u>Year to 30 June</u>			<u>%</u>
	<u>2011</u>	<u>2010</u>	<u>+/- change</u>	
Gross revenues (£m)	77.1	77.1	-	0.0
Turnover (£m) All Competitions	76.4	76.4	-	0.0
Turnover (£m) excluding Europa League	75.9	63.9	12.0	18.8
Total staff costs (£m)	57.7	49.3	8.4	17.0
Staff costs as % of revenues	74.8%	63.9%	-	10.9
Net Operating profit before dep'n, amort'n & exceptional items (£m)	3.0	7.1	(4.1)	(57.7)
Final position in Premier League (PL)	8th	12th	4	-
Total PL attendances	477,523	455,276	22,247	4.9

The Directors consider these to be the most useful measures of performance, as they tie on-field performance by the team to financial results achieved by the Company

The Chairman's statement contains an appropriate commentary on the performance of the Company for the year

Principal activity

The Company's principal activity is the operation of a professional football club

Results and dividends

The Company made a profit after tax of £4,406,420 (2010 loss £16,942,261) which has been transferred to reserves. The improved league position, player trading and reduced amortisation of intangible assets were the main factors behind this change in the financial results. The Directors do not recommend the payment of a dividend (2010 £nil).

Future developments

The Company continues to seek to develop the match-day experience for spectators to promote the long-term aim of growing and retaining a large and loyal fan base. Our sister-company, Fulham Stadium Limited, has a rolling programme of increasing and improving facilities at the Craven Cottage stadium, which enables the Company to plan for steady increases in attendance and an increase in total seating areas and lounge facilities, which support match-day packages.

The Company will continue to invest in the playing squad to maintain and improve results achieved during the playing season.



Fulham Football Club (1987) Limited

Directors' Report (continued)

For the year ended 30 June 2011

Financial instruments and risks

Most of the Company's transactions are in Sterling, although from time to time certain transactions involving the acquisition of overseas players may be in Euros. In these cases, the Company's policy is to accept the risk of a movement in the exchange rate to Sterling. No forward purchases of currency are made, nor does the Company use hedging instruments.

The Company's main sources of finance, for operating losses, working capital and capital expenditure (including player transfers), in excess of funds generated internally, are interest-free loans from its immediate parent company together with loans from third party lenders. The Company has received assurances from the Directors of the parent company that no repayment demand will be made which would either cause the repayments to be a preference of a creditor or which would cause the Company to become technically insolvent. The parent company has also provided comfort that if further funds are needed to meet creditors as they fall due, these will be made available.

The Company's main commercial risk is that associated with potential failure to retain membership of the Football Association Premier League. Of the Company's total revenues in the year to 30 June 2011, 66% came from sources controlled by the Premier League (2010: 55%). In the event of relegation from the Premier League, the Company's revenues would fall and the Company would therefore have to take action to significantly reduce operating costs. Such action could prevent the maintenance of a playing squad capable of gaining promotion back to the Premier League. Therefore the Company's main aim is to prevent this risk becoming a reality.

The environment

The Company has continued to adopt policies and procedures which take account of the need to preserve and protect the environment. The Directors are committed to compliance with environmental best practice in all aspects of the business.

Policy on payment of creditors

It is the Company's policy to agree payment terms as part of any formal contract with a supplier and to make every endeavour to abide by the agreed terms. Where a purchase is not covered by a formal contract, and no agreement is reached in advance of raising an order, the policy is that any valid invoice will be paid in full. The Company is sympathetic to, and pays particular attention to, the cash flow needs of its smaller suppliers.

The Company currently takes an average of 29 days to pay its creditors (2010: 35 days).



Fulham Football Club (1987) Limited

Directors' Report (continued)

For the year ended 30 June 2011

Policy on disabled persons

It is the Company's policy to provide opportunities for disabled persons to have meaningful employment in the business and to make our facilities available to disabled supporters as far as is possible within the constraints of a concern for the health and safety of all of our staff and customers

Policy on employee involvement

It is the Company's policy to keep all staff informed as to the development of the business and to encourage them to contribute their ideas, criticisms and comments through a management process which recognises and rewards genuine involvement in the success of the Company

Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the Directors has confirmed that

- (a) so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information



Fulham Football Club (1987) Limited

Directors' Report (continued)

For the year ended 30 June 2011

Post balance sheet events

Since the year-end the Company has acquired the registrations of John Arne Riise, Bryan Ruiz, Pajtim Kasami, Marcel Gecov, Csaba Somogyi, Orlando Sa, Zdenek Grygera and Muamer Tankovic. The total outlay for these players and other squad players amounted to £15,600,000. In the same period, the Company sold Jonathan Greening and Kagisho Dikgacoi for total fees of £1,200,000 and released Zoltan Gera, John Pantsil, Diomansy Kamara and Eddie Johnson.

Directors

The Directors who served during the year were as follows

M Al Fayed (Chairman)

K Fayed

O A Fayed

M A E Collins

M D Cole

D Turner

A J Mackintosh

S O'Loughlin (Appointed 24 December 2010)

B F Leuken (Resigned 24 January 2011)

By order of the Board



D Preston

Secretary

05 December 2011



Independent Auditor's Report

To the Members of Fulham Football Club (1987) Limited

We have audited the financial statements of Fulham Football Club (1987) Limited for the year ended 30 June 2011 which comprise the profit and loss account, the balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 June 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.



Independent Auditor's Report

To the Members of Fulham Football Club (1987) Limited (Continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

PKF (UK) LLP

Stuart Barnsdall, Senior Statutory Auditor

For and on behalf of PKF (UK) LLP, Statutory Auditor

London, UK

7 December 2011



Fulham Football Club (1987) Limited
Profit and Loss Account
For the year ended 30 June 2011

		2011	2010
	Notes	£	£
Turnover	3	76,405,139	76,397,970
Other operating income		703,939	672,474
		77,109,078	77,070,444
Operating expenses before depreciation and amortisation	4	(74,064,865)	(69,938,376)
Operating profit before depreciation, amortisation and exceptional item		3,044,213	7,132,068
Depreciation and amortisation	4	(11,708,183)	(16,911,877)
Exceptional Impairment	6	-	(8,085,277)
Depreciation, amortisation and impairment		(11,708,183)	(24,997,154)
Operating Loss after depreciation, amortisation and impairment		(8,663,970)	(17,865,086)
Profit on disposal of other assets		1,754	-
Profit on disposal of players' registrations		13,664,862	963,178
Profit/(loss) before interest and taxation		5,002,646	(16,901,908)
Net interest payable	7	(596,226)	(2,084,248)
Profit/(loss) on ordinary activities before taxation		4,406,420	(18,986,156)
Taxation of profit/(loss) on ordinary activities	8	-	2,043,895
Profit/(loss) for the year		4,406,420	(16,942,261)

Statement of total recognised gains and losses

There are no recognised gains or losses other than the amounts included in the profit and loss account

Continuing operations

All of the above results derive from continuing activities

The notes on pages 12 to 24 form a part of these financial statements



Fulham Football Club (1987) Limited

Balance Sheet

As at 30 June 2011

Company number 2114486

	Notes	2011 £	2010 £
Fixed assets			
Intangible assets	9	18,929,582	16,489,228
Tangible assets	10	<u>1,839,234</u>	<u>1,596,503</u>
		20,768,816	18,085,731
Current assets			
Stocks		299,623	204,134
Debtors	11	6,348,274	4,206,406
Cash at bank and in hand		<u>9,106,739</u>	<u>13,123,347</u>
		15,754,636	17,533,887
Creditors: amounts falling due within one year	12	<u>(25,091,916)</u>	<u>(32,844,291)</u>
Net current liabilities		<u>(9,337,280)</u>	<u>(15,310,404)</u>
Total assets less current liabilities		11,431,536	2,775,327
Creditors: amounts falling due after more than one year	13	(179,721,135)	(169,721,278)
Deferred income	14	<u>(8,307,953)</u>	<u>(14,058,021)</u>
Net liabilities		<u>(176,597,552)</u>	<u>(181,003,972)</u>
Capital and reserves			
Called up share capital	15	2	2
Profit and loss account	16	<u>(176,597,554)</u>	<u>(181,003,974)</u>
Shareholders' funds	17	<u>(176,597,552)</u>	<u>(181,003,972)</u>

The notes on pages 12 to 24 form part of these financial statements

The financial statements on pages 10 to 24 were approved and authorised for issue by the Board and were signed on its behalf on 05 December 2011



M A E Collins
Director



A J Mackintosh
Director



Fulham Football Club (1987) Limited
Accompanying Notes to the Financial Statements
For the year ended 30 June 2011

1 Basis of preparation of financial statements and going concern

The Company has a deficit of shareholders' funds at 30 June 2011 and has operated at a loss in recent years. The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Directors are aware of their duty to present a balanced assessment of the Company's financial position and prospects and in concluding that it is appropriate to adopt the going concern basis they have had regard to the trading performance and cashflows since the year end. They continue to take action to improve the cashflow position of the Company.

They have also had regard to the written indications received from Fulham Football Leisure Limited, AIT Leisure Limited, both of which are parent companies, Mr M Al Fayed and the trust Company that controls the Fayed family trusts and their corporate interests, that continued funding will be made available to finance the group's working capital requirements for the foreseeable future, if required, irrespective as to whether Fulham Football Club retains membership of the Premier League at the end of the 2011/12 season or not. Although there is no legal obligation for Fulham Football Leisure Limited, AIT Leisure Limited, Mr M Al Fayed and the trust company to provide this continued financial support, the Directors are confident that such funding, if required, will be forthcoming.

Should the Club be relegated at the end of the 2011/12 season, then the Company's revenues would fall. The Company would therefore have to take action to significantly reduce operating costs, which the Directors are confident could be achieved, such that additional parent company funding would not be required.

2 Accounting policies

a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Turnover

Turnover represents match receipts and all other income associated with the principal activity of running a professional football club and excludes value added tax.

c) Grants

Grants receivable in respect of ground safety and maintenance are credited to the profit and loss account in the same period as the expenditure is incurred. Grants receivable in respect of fixed assets are credited to deferred income and released to the profit and loss account over the asset's useful economic life.

d) Deferred Income

Income from season tickets, sponsorship and other commercial contracts which has been received prior to the year end in respect of future football seasons is treated as deferred income.



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2011

2 Accounting policies (continued)

e) Signing on fees

Signing on fees relating to players' contracts are charged to the profit and loss account in the period in which they become due. Signing on fees are considered to be part of players' emoluments packages and are included in these financial statements as part of staff costs.

f) Transfer fees

Fees payable to other football clubs on the transfer of players' registrations, including agents' fees and league levies, are recorded as intangible fixed assets. Any other associated costs are dealt with through the profit and loss account in the year in which the transfer takes place.

Fees payable which are contingent on a future event are recorded as intangible fixed assets, if in the opinion of the Directors, the future event is more likely than not to occur during the life of the player's contract. Fees contingent on a future event which has a material uncertainty are only brought into intangible fixed assets when the event actually occurs. Player registration costs are amortised over the life of the player's contract with the club. These intangible assets are written down for impairment when the carrying amount exceeds the amount recoverable through use or sale.

Fees receivable which are contingent on certain performance criteria are not recognised as revenue until the relevant criteria have been met.

h) Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, which is reviewed annually. The depreciation rates used are as follows:

Ground equipment and furniture	- 10% - 25% per annum
Motor vehicles	- 25% per annum
Computer equipment	- 25% per annum
Leasehold improvements	- Over period of lease

i) Leases and hire purchase contracts

Assets acquired under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged to the profit and loss account as incurred.



Fulham Football Club (1987) Limited
Accompanying Notes to the Financial Statements (continued)
For the year ended 30 June 2011

2 Accounting policies (continued)

j) Stocks

Stocks, which comprise of goods held for resale, are valued at the lower of cost and net realisable value

k) Pensions

The pension cost charged in the year represents contributions payable by the Company to a number of defined contribution schemes

l) Deferred taxation

Deferred taxation is provided on material timing differences between the incidence of income and expenditure for taxation and accounts purposes using a full provision basis in accordance with the provisions set out in Financial Reporting Standard No 19 "Deferred Tax" Deferred tax assets are only recognised when they arise from timing differences where their recoverability is regarded as more likely than not Deferred tax balances are not discounted

m) Foreign Currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account

3 Turnover

	2011	2010
	£	£
Gate Receipts	11,240,340	11,069,065
Europa League	497,493	12,482,983
Sponsorship	4,372,176	3,987,269
Central Awards	44,821,941	35,722,774
Broadcasting	5,747,368	6,227,410
Commercial activities	9,725,821	6,908,469
	<u>76,405,139</u>	<u>76,397,970</u>



Fulham Football Club (1987) Limited
Accompanying Notes to the Financial Statements (continued)
For the year ended 30 June 2011

4 Operating expenses

	2011 £	2010 £
Auditor's remuneration for audit services	33,077	35,724
Auditor's remuneration for non-audit services	9,500	12,000
Staff costs	57,671,590	49,284,954
Amounts paid under operating leases		
- Plant and Machinery	2,221,024	2,229,544
- Other	12,000	49,398
Other external charges	14,117,674	18,326,756
	<u>74,064,865</u>	<u>69,938,376</u>
Depreciation		
- Owned fixed assets	747,009	871,711
- Assets under finance leases	78,056	40,389
- Amortisation of player registrations	10,883,118	15,999,777
- Exceptional impairment of players (note 6)	-	8,085,277
	<u>11,708,183</u>	<u>24,997,154</u>
	<u>85,773,048</u>	<u>94,935,530</u>

5 Staff numbers and costs

Staff costs during the year (including directors' emoluments) amounted to

	2011 £	2010 £
Wages and salaries	50,329,305	43,788,185
Social security costs	6,174,331	5,201,457
Pension costs	1,167,954	295,312
	<u>57,671,590</u>	<u>49,284,954</u>

The average monthly number of employees during the year was 840 (2010 796) made up as follows

	2011 Number	2010 Number
Administrative and ground staff	170	164
Players	58	60
	<u>228</u>	<u>224</u>
Part-time staff for match days	<u>612</u>	<u>572</u>

Aggregate Directors' emoluments during the year totalled £775,128 (2010 £650,427) including pension contributions of £47,021 (2010 £49,113). The highest paid Director's emoluments totalled £615,000 (2010 £512,500) including pension contributions of £41,200 (2010 £37,500).



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2011

6 Exceptional item

	2011	2010
	£	£
Impairment Loss	<u>-</u>	<u>8,085,277</u>

The impairment losses arose from a write down of certain players' registrations to reflect their estimated net realisable value. This was based on management's estimates taking into account conditions in the transfer market.

7 Interest

	2011	2010
	£	£
Interest receivable on deposits:		
Bank interest	2,778	4,138
Interest payable on borrowings repayable within five years:		
Bank interest payable	(12,000)	(67,567)
Term Loan interest	(107,062)	(1,380,707)
Other charges	(460,905)	(510,494)
Hire and lease purchase obligations	(19,037)	(7,714)
Amounts payable to related parties	-	(121,904)
	<u>(599,004)</u>	<u>(2,088,386)</u>
Net interest payable	<u>(596,226)</u>	<u>(2,084,248)</u>

The term loan was secured over FAPL central award revenue, and was fully repaid in August 2010. Interest was payable at a rate of 9.45% per annum.



Fulham Football Club (1987) Limited
Accompanying Notes to the Financial Statements (continued)
For the year ended 30 June 2011

8 Taxation

(a) The tax for the year comprises

	2011 £	2010 £
<i>Corporation tax</i>		
Current year,		
Adjustments in respect of prior years	-	(4,977)
Current year - group relief	-	(2,038,918)
Total current tax (note 8 (b))	-	(2,043,895)
<i>Deferred tax</i>		
Current year,		
Adjustments in respect of prior years	-	-
Total deferred tax (credit)/charge for year	-	-
Taxation on profit/(loss) on ordinary activities	-	(2,043,895)

(b) Factors affecting tax charge for the year

	2011 £	2010 £
The tax assessed for the year differs from the standard rate of corporation tax in the UK. The difference is explained below:		
Profit/(loss) on ordinary activities before tax	<u>4,406,420</u>	<u>(18,986,156)</u>
Profit/(loss) on ordinary activities at standard rate of corporation tax in the UK of 27.5% (2010: 28%)	1,211,766	(5,316,123)
Effects of:		
Depreciation in the year (less) / more than capital allowances	(70,616)	228,817
Expenses not deductible for tax purposes - non qualifying depreciation	4,548	42,633
Expenses not deductible for tax purposes	23,684	33,062
Other short term timing differences	(7,806)	400,499
Losses group relieved	550,285	411,290
Adjustments in respect of prior periods	-	(4,977)
Rolled over gain on player registrations	(1,711,861)	-
Unrelieved losses	-	2,160,904
Current tax debit/(credit) for the year (note 8 (a))	-	(2,043,895)



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2011

8 Taxation (continued)

(c) Factors that may affect future tax charges

At the year end the Company has an unrecognised deferred tax asset of £42.5m (2010 £46.7m), as analysed below. This asset has not been recognised as recoverability is dependent on there being future taxable trading profits against which to offset the asset.

The potential deferred tax asset is analysed below:

	2011 £	2010 £
Depreciation in excess of capital allowances	715,243	1,988,258
Other timing differences	436,126	-
Tax losses carried forward	<u>41,393,045</u>	<u>44,698,772</u>
	<u><u>42,544,414</u></u>	<u><u>46,687,030</u></u>

9 Intangible fixed assets

	<u>Player Registrations</u> £
Cost	
1 July 2010	60,749,621
Additions	14,565,983
Disposals	<u>(10,178,941)</u>
30 June 2011	<u><u>65,136,663</u></u>
Amortisation	
1 July 2010	44,260,393
Disposals	(8,936,430)
Charge for the year	<u>10,883,118</u>
30 June 2011	<u><u>46,207,081</u></u>
Net Book Amount	
30 June 2011	<u><u>18,929,582</u></u>
30 June 2010	<u><u>16,489,228</u></u>



Fulham Football Club (1987) Limited
Accompanying Notes to the Financial Statements (continued)
For the year ended 30 June 2011

10 Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Equipment £	Total £
Cost				
1 July 2010	893,808	38,798	5,967,404	6,900,010
Additions	-	-	1,081,791	1,081,791
Disposals	-	-	(15,999)	(15,999)
30 June 2011	<u>893,808</u>	<u>38,798</u>	<u>7,033,196</u>	<u>7,965,802</u>
Depreciation				
1 July 2010	834,980	38,798	4,429,729	5,303,507
Charge for the period	16,538	-	808,527	825,065
On disposals	-	-	(2,004)	(2,004)
30 June 2011	<u>851,518</u>	<u>38,798</u>	<u>5,236,252</u>	<u>6,126,568</u>
Net book amount				
At 30 June 2011	<u>42,290</u>	<u>-</u>	<u>1,796,944</u>	<u>1,839,234</u>
30 June 2010	<u>58,828</u>	<u>-</u>	<u>1,537,675</u>	<u>1,596,503</u>

The net book amount of fixed assets includes an amount of £95,972 (2010 £61,835) in respect of equipment assets held under hire and lease purchase contracts. A depreciation amount of £78,056 (2010 £40,389) has been charged on these assets in the year.



Fulham Football Club (1987) Limited
Accompanying Notes to the Financial Statements (continued)
For the year ended 30 June 2011

11 Debtors

	2011	2010
	£	£
Trade debtors	1,706,383	2,041,985
Player transfer debtors	4,309,416	1,037,895
Other debtors	59,723	39,167
Amounts due from related parties	12,247	-
Prepayments and accrued income	260,505	1,087,359
	6,348,274	4,206,406

12 Creditors: amounts falling due within one year

	2011	2010
	£	£
Term Loan - secured	-	12,871,217
Hire and lease purchase obligations	51,786	41,887
Trade creditors	4,186,452	2,433,074
Player transfer creditors	6,638,291	5,590,753
Amounts due to related parties	-	11,648
Taxes and social security	6,972,785	4,616,982
Other creditors	2,547,303	2,152,331
Accruals	4,695,299	5,126,399
	25,091,916	32,844,291

The hire purchase and lease obligations are secured upon certain equipment assets

The Term Loan was secured over match revenue, and was fully repaid in August 2010. Interest was payable at a rate of 9.45% per annum.



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2011

13 Creditors amounts falling due after more than one year

	2011	2010
	£	£
Player transfer creditors	418,200	2,798,228
Hire and lease purchase obligations	12,357	7,437
Other creditors	-	3,014,532
Amounts due to parent undertaking	<u>179,290,578</u>	<u>163,901,081</u>
	<u>179,721,135</u>	<u>169,721,278</u>

Amounts due to the parent undertaking (Fulham Football Leisure Limited) are un-secured, interest free and there is no fixed repayment timetable

14 Deferred income

	2011	2010
	£	£
Season ticket sales in advance	5,303,917	5,193,732
Commercial income and sponsorship	<u>3,004,036</u>	<u>8,864,289</u>
	<u>8,307,953</u>	<u>14,058,021</u>

15 Share Capital

	2011	2010
	£	£
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

16 Profit and loss account

	2011	2010
	£	£
1 July 2010	(181,003,974)	(164,061,713)
Profit/(loss) for the year	<u>4,406,420</u>	<u>(16,942,261)</u>
30 June 2011	<u>(176,597,554)</u>	<u>(181,003,974)</u>



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2011

17 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Opening shareholders' funds	(181,003,972)	(164,061,711)
Profit/(loss) for the financial year	4,406,420	(16,942,261)
Closing shareholders' funds	<u>(176,597,552)</u>	<u>(181,003,972)</u>

18 Loans and hire and lease purchase obligations

Obligations under finance leases and hire purchase contracts are as follows

	2011 £	2010 £
Amounts payable		
In one year or less, or on demand	51,786	41,887
In the second to fifth years inclusive	12,357	7,437
	<u>64,143</u>	<u>49,324</u>

19 Financial commitments

a) Annual commitments under non-cancellable operating leases

	2011 Land and buildings £	2011 Other £	2010 Land and buildings £	2010 Other £
Operating leases which expire				
In the second to fifth years inclusive	2,014,000	8,865	2,042,000	49,398
Over five years	184,762	-	184,762	-
	<u>2,198,762</u>	<u>8,865</u>	<u>2,226,762</u>	<u>49,398</u>

b) Other commitments

The maximum commitment for additional transfer fees payable in respect of future possible appearances amounts to £725,000 (2010 £2,650,000) These amounts have not been included in the financial statements



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2011

19 Financial commitments (cont.)

c) Future receipts

In the course of normal business the Company enters into contracts that include clauses contingent upon future events. The Directors have assessed such contracts and the Company can receive additional transfer fees in respect of future events in relation to those contracts up to a maximum of £97,000 (2010 £40,000). These amounts have not been included in the financial statements.

d) Capital commitments

Amounts contracted for but not provided for in the accounts amounted to £369,880 (2010 £284,000).

20 Pension scheme

Payments are made into a number of defined contribution schemes. Total contributions charged during the year amounted to £239,405 (2010 £295,312).

21 Related party information

During the year there were arm's length agreements between the Company and various related companies to provide certain services. These companies are under the control of the Company's ultimate controlling party. The value of these transactions during the year to 30 June 2011 is as follows:

	2011 Purchases £	2011 Sales £	2010 Purchases £	2010 Sales £
<u>Harrods Group Companies</u>				
Genavco Insurance Ltd	126,568	-	152,962	-
Harrods (UK) Ltd	60	-	49,422	-
Harrods Ltd	24,218	-	104,580	-
<u>Non-Harrods Group Companies</u>				
Liberty Publishing and Media Ltd	24,279	-	9,320	-
Hyde Park Residence	-	-	-	297
Total	175,125	-	316,284	297

On 7th May 2010, the Harrods group was sold and from that date ceased to be a related party. However, transactions with Harrods companies are disclosed for the full year for completeness of comparison.



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2011

21 Related party information (continued)

Balances with related parties as at 30 June 2011 are as follows

Falling due within 1 year

	2011	2011	2010	2010
	Due To	Due From	Due To	Due From
	£	£	£	£
Fulham FC Foundation	-	-	11,648	-
Total	-	-	11,648	-

During the year, the Company also donated £85,000 (2010 £91,506) to the Fulham FC Foundation

No disclosure has been made of any transactions within these financial statements with the immediate parent Company or fellow subsidiaries in accordance with the exemptions allowed under Financial Reporting Standard No 8

22 Post-Balance Sheet Events

Since the year-end the Company has acquired the registrations of John Arne Riise, Bryan Ruiz, Pajtim Kasami, Marcel Gecov, Csaba Somogyi, Orlando Sa, Zdenek Grygera and Muamer Tankovic. The total outlay for these players and other squad players amounted to £15,600,000. In the same period, the Company sold Jonathan Greening and Kagisho Dikgacoi for total fees of £1,200,000 and released Zoltan Gera, John Pantsil, Diomansy Kamara and Eddie Johnson.

23 Parent Undertaking

The Company's immediate parent undertaking is Fulham Football Leisure Limited, which is incorporated in England and Wales. It is also the parent company of the largest and smallest group for which group accounts have been prepared. Copies of the consolidated accounts may be obtained from Companies House, Cardiff, CF4 3UZ.

The ultimate parent company is Mafco Holdings Limited, a company incorporated in Bermuda. All interests in the Company continue to be held for the benefit of the Fayed family.

